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## Appropriations Committee

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### HB 1421

**Brief Description:** Funding investigations to protect individuals with disabilities in the supported living program.

**Sponsors:** Representatives Cody, Harris, Tharinger, Jinkins, Macri, Kilduff, Frame, Leavitt, Morgan and Ormsby; by request of Department of Social and Health Services.

#### Brief Summary of Bill

- Requires providers of residential services and supports to Department of Social and Health Services (DSHS) Developmental Disabilities Administration clients to pay an annual certification fee beginning July 1, 2019.
- Requires the DSHS to use revenues from the fees to conduct complaint investigations on behalf of clients served by residential services and supports providers.

**Hearing Date:** 3/14/19

**Staff:** Mary Mulholland (786-7391).

#### **Background:**

##### Residential Services and Supports.

The Department of Social and Health Services (DSHS) Developmental Disabilities Administration (DDA) provides residential services and supports for clients who meet Medicaid functional and financial eligibility requirements. A "community residential service business" means a business that is certified by and contracted with the DSHS DDA to provide instruction and support to DDA clients. Residential services and supports may include assistance with activities of daily living (such as bathing, dressing, and eating), instrumental activities of daily living (such as meal preparation and ordinary housework), and habilitation services.

Supported living is one type of certified community residential service business. Supported living providers serve up to four clients living in homes that are owned, rented, or leased by the clients or their legal representatives.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

### Residential Care Services.

The Residential Care Services (RCS) unit within the DSHS Aging and Long-Term Support Administration is responsible for licensing adult family homes, assisted living facilities, nursing homes, enhanced services facilities (ESFs), and intermediate care facilities for individuals with intellectual disabilities, and for certifying community residential services businesses. The RCS is also responsible for investigating potential provider practice issues, and taking enforcement action when provider practice issues are found.

Adult family homes, assisted living facilities, nursing homes, and the ESFs pay per-bed fees at initial licensure and renewal that are used to support RCS activities. The fee levels are established in the omnibus operating appropriations act and may not exceed the DSHS' costs for licensing and oversight. Providers are reimbursed using federal matching funds for fees paid on Medicaid client beds.

The RCS costs that are not funded by provider fee revenue are funded with State General Fund and federal Medicaid funds.

The DSHS reports that the number of RCS investigations among supported living providers increased from 806 in fiscal year (FY) 2013 to a peak of 2,198 investigations in FY 2016, and declined to 1,402 investigations in FY 2018.

### Certification for Community Residential Services and Supports.

A certification means that the provider has complied with certain administrative requirements such as staffing, liability insurance, and the practices used by the provider to deliver services, as outlined in provisions in the Washington Administrative Code. The certification provided by the RCS allows a provider to continue to receive referrals and to provide services under a contract with the DDA. Certification may be granted to providers for up to two years. There is no fee for certification. Supported living is the only type of certified residential services and support that does not require licensure as an adult family home or assisted living facility.

### **Summary of Bill:**

After initial certification, providers of DDA community residential services and supports must pay an annual certification fee. The fee amount must be established in the omnibus operating appropriations act and may not exceed the DSHS' costs to investigate complaints about provider practice and individuals alleged to have been abused, neglected, abandoned, or exploited.

The certification fee must be established in the omnibus operating appropriations act. No certification fee will be required for government-operated programs or court-appointed receivers.

The DSHS must use the resources from certification fees to conduct complaint investigations in certified residential services and supports programs. Complaint investigations include investigations of complaints about provider practice and allegations that clients have been abused, neglected, abandoned, or financially exploited.

If the federal Centers for Medicare and Medicaid Services determines that federal reimbursement is not available for fees paid by providers on behalf of Medicaid clients, the DSHS must cease

collecting the fee and notify the Office of Financial Management and the appropriate legislative committees. Rules adopted under the act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2019.